

For U.S. Southern Command military personnel

Frequently Asked Questions (FAQs)

Continental United States Cost of Living Allowance (CONUS COLA)

What is CONUS COLA?

Continental United States Cost of Living Allowance (CONUS COLA) is a taxable supplemental allowance designed to help offset higher prices of **non-housing costs** in high-cost locations of the Continental U.S. (CONUS). An area is considered high cost if the non-housing cost of living for that area exceeds the threshold percentage. The law (37 USC 403b) authorizes the Secretary of Defense to establish a threshold not lower than 108 percent of the national average non-housing cost of living. The threshold is currently set at 108%.

When will I receive CONUS COLA?

When the threshold is set at 108%, members absorb at least 8% of the average expenses above the national average cost of living. This means that members assigned to locations where the average local costs are greater than 8% above the national average for non-housing costs and the threshold for that year has been set at 108, will receive CONUS COLA to offset their additional expenses. Miami COLA index is currently at 109%.

Why am I not getting 1% of my gross pay in COLA when the threshold is 108% and Miami COLA index is 109%?

COLA is calculated based on member's spendable income, not total disposable income. Spendable income equals total regular military compensation minus housing, taxes, savings, life insurance, gifts and contributions.

Since we don't have a commissary in SOUTHCOM why isn't our COLA higher?

COLA computation takes into account that there is no commissary. If a commissary is constructed and opened at SOUTHCOM then savings related to the lower cost of products sold would reduce the COLA amount. Formula for COLA calculation also takes into account the Basic Allowance for Subsistence (BAS).

When will I get an increase in my cost of living allowance?

If the Miami-Ft. Lauderdale area annual non-housing cost of living increases from one year to the next at a faster rate than average CONUS, then you can expect an increase. If the average CONUS and Miami-Ft. Lauderdale area are rising at the same rate, then the COLA remains the same; and if Miami-Ft. Lauderdale area annual non-housing cost of living declines relative to average CONUS then you can expect reduced COLA or no COLA.

If I collect prices of grocery items or show that gas prices are high in Miami-Ft. Lauderdale, will that change the calculation of COLA? Can I participate in a local survey to change our COLA?

No. The law requires that CONUS COLA data (market basket of goods and services) be collected by a private contractor. Contractor data is collected for non-housing costs at each location and average CONUS using the same methodology. For each location it provides overall civilian cost data on categories for items available in the private sector and commissaries and exchanges. Most locations are reviewed annually.

Is cost to operate a privately-owned vehicle included in CONUS COLA computation?

Yes. Operating costs such as fuel and maintenance, and fixed costs such as insurance, taxes depreciation and license and registration are included. Overall, 120 market basket items are included in CONUS COLA index calculation.

When I was overseas I participated in a survey of goods prices that fed into the COLA. What are the major differences in CONUS COLA vs. Outside the Continental U.S. (OCONUS) COLA?

The law (37 USC 403b) governing CONUS COLA stipulates that the data is to be collected by private contractor. The law (37 USC 475) governing OCONUS COLA allows service members at overseas locations to complete a retail price survey annually. Other differences in CONUS and OCONUS COLA follows:

- CONUS COLA must exceed a threshold of 108% before COLA is paid vs OCONUS where there is no threshold
- CONUS COLA is taxed vs. OCONUS is tax free.
- CONUS COLA subtracts BAS from computation, OCONUS does not.

More COLA FAQs by Defense Travel Management Office: <http://www.defensetravel.dod.mil/site/faqconus.cfm>